Following steps have been taken for further strengthening of DRTs for making speedy recoveries:—

(i) Constitution of 15 more DRTs since 1st April, 2000 thereby taking the total number of DRTs in the country to 29;

(ii) Increasing the staff strength of DRTs;

(iii) Further delegation of administrative and financial powers to Presiding Officers to improve their functioning;

(iv) Arranging adequate infrastructure for DRTs.

(v) Close coordination between DRTs and Banks/FIs and

(vi) Office computerization in DRTs.

Privatisation of Banks

1989. SHRI R. P. GOENKA:
SHRI PARMESHWAR KUMAR AGARWALLA:

Will the MINISTER OF FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government find it necessary to prepare roadmap for privatisation of public sector banks;

(b) if so, what are the factors that necessitated Government to come to this conclusions;

(c) by when, the action plan will be finalised; and

(d) the details of banks identified for the proposed privatisation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Government have not prepared any roadmap for privatisation of public sector banks, However, the Committee on Banking Sector Reforms had highlighted the fact that recapitalisation of public sector banks is costly and in the long run, is not a sustainable option. The Committee has, therefore, suggested that no further recapitalisation of banks should be undertaken from the Government budget and public sector banks should be encouraged to go to the market. It is proposed to amend Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 with a view to modifying the stipulation of minimum prescribed

Government shareholding in nationalised banks from 51% to 33% to enable nationalised banks to raise capital from market without affecting their public sector character. Accordingly, Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Amendment Bill, 2000 was introduced in Lok Sabha in December, 2000 which has been referred to Standing Committee on Finance.

Interest rates on Credit Cards

1990. SHRI RAJU PARMAR:
SHRI BHAGATRAM MANHAR:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that interest rates being charged on credit cards by the various nationalised and foreign banks are highly exorbitant;

(b) if so, the reasons therefor;

(c) whether Government are aware that in U.K;, U.S.A and Canada in interest rates charged on credit cards is less than 12 to 15 per cent whereas in India it is above 30 per cent; and

(d) if so, whether Government propose to inquire into the matter so as to ensure the reduction in interest rates to that of international standards?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Reserve Bank of India (RBI) has reported that since interest rates have been deregulated, banks are free to determine their own rates on credit cards. At present, interest rates charged by banks vary from 24% to 36% per annum. The reasons for the high charges are because Credit Card business is highly capital intensive. It involves capital expenditure for the infrastructure *i.e.* on-line computer systems, call centres (customer service centres), Electronic Data Capture Machines (EDCMs) for cash dispensation and Point of Sales (PoS) terminals. These are on-going investment expenditure, risk involved in credit card usage is undefined as the credit card dues are clean in nature without any security/collateral.

Further, in the case of credit cards, there is also fraud risk arising out of stolen/altered credit cards. Recovery of outstanding dues on credit cards is very difficult, time consuming and costly.